

**Claims:**

Please cancel all of the claims of record and substitute new claims 51 through 75 as follows:

25 - 50 (cancelled)

51. (new) A method for providing collateral loss coverage, comprising the steps of:
- a. constructing a payment provision by expressing said collateral loss coverage as a function of losses paid under an insurance policy;
  - b. setting the premium for said collateral loss coverage as a function of the premium of said insurance policy;
  - c. incorporating said premium for said collateral loss coverage and said payment provision in a contract;
  - d. executing said contract; and
  - e. receiving payment for said contract;
- wherein at least one of said steps is carried out at least in part by an information system.
52. (new) The method of claim 51 wherein the insured of said insurance policy is also the buyer of said collateral loss coverage.
53. (new) The method of claim 51 wherein the insured of said insurance policy is not the buyer of said collateral loss coverage.
54. (new) The method of claim 51 wherein the seller of said collateral loss coverage is also the insurer of said insurance policy.

55. (new) The method of claim 51 wherein the seller of said collateral loss coverage is not the insurer of said insurance policy.
56. (new) The method of claim 51 wherein said contract is structured as one or more provisions of an insurance contract.
57. (new) The method of claim 51 wherein said contract is structured as one or more provisions of a non-insurance contract.
58. (new) The method of claim 51 wherein said premium for said collateral loss coverage is expressed as a percentage of said premium of said insurance policy.
59. (new) The method of claim 51 wherein said premium for said collateral loss coverage is expressed as a nonproportional function of said premium of said insurance policy.
60. (new) The method of claim 51 wherein said collateral loss coverage is expressed as a percentage of said losses paid under an insurance policy.
61. (new) The method of claim 51 wherein said collateral loss coverage is expressed as a nonproportional function of said losses paid under an insurance policy.
62. (new) The method of claim 51 wherein said insurance policy is a commercial insurance policy.
63. (new) The method of claim 51 wherein said insurance policy is a personal insurance policy.

64. (new) The method of claim 51 wherein said insurance policy is a commercial casualty insurance policy.
65. (new) The method of claim 51 wherein said insurance policy is a commercial property insurance policy.
66. (new) The method of claim 51 wherein said insurance policy is an all risks commercial property insurance policy.
67. (new) The method of claim 51 wherein said insurance policy is a personal auto insurance policy.
68. (new) The method of claim 51 wherein said insurance policy is a homeowners insurance policy.
69. (new) The method of claim 51 wherein said insurance policy is a personal liability insurance policy.
70. (new) The method of claim 51 wherein said insurance policy is an errors and omissions insurance policy.
71. (new) The method of claim 51 wherein said insurance policy is a directors and officers insurance policy.
72. (new) The method of claim 51 wherein said insurance policy is a health insurance policy
73. (new) The method of claim 51 wherein said insurance policy is a life insurance policy.

74. (new) The method of claim 51 wherein said insurance policy is a disability insurance policy.
75. (new) The method of claim 51 wherein said insurance policy is a workers' compensation insurance policy.